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CLERK  
US BANKRUPTCY COURT  
ALEXANDRIA DIVISION

**From:** E M [emunns2325@msn.com]  
**Sent:** Sunday, June 29, 2008 11:19 AM  
**To:** Zanetti, Diane B; Tencza, Jessica; Yin, Yanlin  
**Cc:** mabyrd@sydlansys.com; Steve Britt  
**Subject:** Revised AC Tech BB Certificate-June (RESEND)  
**Importance:** High  
**Attachments:** BBTemp\_270608.xls; AR\_Aging\_Jun08.pdf

Diane, Jessica, and Yanlin,

We sent our revised and carefully reviewed BBC on Friday evening as per the email trail below ( see attachments). This was later than we planned, but another \$2.1 mm was booked Friday and we almost have another \$646,700 which we expect tomorrow.

I am resending the email and attachments now after I was apprised today you may not have received the email and attachments Friday. Our apologies for any confusion.

Our transaction with AC Technology is fully agreed and we are ready to proceed.

Thanks for all your assistance.

Please feel free to call me with any questions at (703)731-0452 or Mike at (301)523-4556.

>  
> -----Original Message-----  
> From: Michael Byrd [mailto:mabyrd@sydlansys.com]  
> Sent: Friday, June 27, 2008 10:34 PM  
> To: 'Tencza, Jessica'; 'Zanetti, Diane B'  
> Cc: 'Yin, Yanlin'; 'sbritt@ltblaw.com'; 'E M'  
> Subject: Revised AC Tech BB Certificate-June (RESEND)  
>  
>  
>  
> Jessica, Diane and Yanlin,  
>  
> We are pleased to provide a revised BBC for AC Tech. (My prior email had the  
> incorrect attachment.)  
>  
> Thanks for your patience and for the explanation about "unbilled accounts"  
> under the Credit Agreement. As you will see, we chose to delete the DHS  
> "Unbilled" line item for \$7.7mm. We expect this to be an eligible AR for  
> the month of July.  
>  
> On the Borrowing Base spreadsheet, we are glad you were aware of the formula  
> error.  
>  
> Beyond that...the news is all good, as the A/R figures are very strong and  
> growing daily. I've attached the latest A/R Aging for your review.  
>



> Please let us know if you need any further information. You can contact me  
> directly at 301-523-4556.  
>  
> We greatly value your support and assistance these past few weeks and look  
> forward to a great relationship ahead.  
>  
> Have a good evening,  
> MAB  
>  
>  
>  
>

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The I'm Talkathon starts 6/24/08. For now, give amongst yourselves. [Learn More](#)

# Bank of America



## Bank of America Asset Based Lending Services - Monthly Borrowing Base Certificate

**BORROWER: MB Security Corporation**

Certificate #: \_\_\_\_\_  
Month Ending: 6/30/2008

<b>ACCOUNTS RECEIVABLE</b>					
Line	Roll Forward Information		<u>Government</u>	<u>Commercial</u>	<u>Combined</u>
1	Trade Accounts Receivable-Last Month End	31-May-08	5,625,758.61	1,929,623.58	7,555,382.19
2	Plus: Credit Sales		5,073,539.22	1,117,370.45	6,190,909.67
3	Plus: Debit Memos and Misc. Debit Adj.		-	-	-
4	Less: Collections		(2,460,798.38)	(1,497,194.29)	(3,957,992.67)
5	Less: Credit Memos for the Month				
6	Other Debit or (Credit) Adj. (Attach Explanation)				
7	Trade Accounts Receivable-This Month End	30-Jun-08	8,238,499.45	1,549,799.74	9,788,299.19
8	Less: Ineligible Receivables per attached (Schedule A)		310,607.21		310,607.21
9	Eligible Receivables (Line 7 minus line 8)		7,927,892.24	1,549,799.74	9,477,691.98
10	Advance Rate		90%	80%	
11	GROSS ACCOUNTS RECEIVABLE AVAILABILITY		7,135,103.02	1,239,839.79	8,374,942.81
<b>UNBILLED ACCOUNTS RECEIVABLE</b>					
12	Unbilled A/R from prior Month's BBC dated				
	Plus: Estimated Unbilled A/R for the month (please exclude Billings in Excess of Costs)				
	Less: Billings Created for the Period				
13	Unbilled A/R this Month-End				
14	Advance Rate				50%
15	Unbilled A/R Availability/Unbilled Cap				
16	APPROVED OVERADVANCE (\$0)				
17	GROSS COMBINED AVAILABILITY				8,374,942.81
18	Less: Outstanding Letter of Credit				
19	NET AVAILABILITY				8,374,942.81
20	APPROVED LINE OF CREDIT	\$ 10,000,000			
21	The Lesser of Net Availability or Credit Line				8,374,942.81

### LOANS OUTSTANDING

21	Loan Balance - Since last Certificate	5,500,000	
22	Advances Since last Certificate		
23	Less: Collections Applied To Loan		
24	Total Loan Balance this Certificate	5,500,000	5,500,000.00
25	Less: Collateral Reserves		
26	REMAINING LOAN AVAILABILITY/(OVERADVANCE) (Line 19 minus lines 25 & 26)		2,874,943

I certify the above to be true and correct to the best of my knowledge and belief. We understand that you are relying upon this Report and supporting documents in granting credit to us and we warrant that no Event of Default exists or is imminent under any agreements between us. The undersigned further certifies that all inventory is owned by us free and clear of any liens or encumbrances other than to Bank of America, that the same is under the control and in the possession of the undersigned and otherwise complies with all provisions of agreements between us:

Borrower: MB Security Corporation  
By: Michael Byrd, EVP  
Date: 6/27/2008

OBLIGOR	MB Security Corporation
SCHEDULE A - SCHEDULE OF INELIGIBLES	

INELIGIBLE ACCOUNTS RECEIVABLE

Past due: Over <u>90</u> Days from <u>Invoice</u> Date	309,161.61
Datings/Futures	
Credit Balances in Past Dues	
<u>50</u> % Cross Aging	
Intercompany/Affiliate	1,445.60
Contra Elimination	
Unapplied Cash	
Cash/COD's	
Credit Hold	
Finance/Service Charges	
Bankrupt Accounts	
Pre-Billings/Bill and Hold	
Retentions	
Bankrupt Accounts	
Consignments	
Debit Memos/Chargebacks	
Other as banks deems ineligible	
Variance Between Aging & G/L (if G/L is lower)	
Excess <u>50</u> % Concentration <input checked="" type="checkbox"/> Net <input type="checkbox"/> Gross	
Commerical A/R only	
Excess Concentration limit (name specific)	
TOTAL INELIGIBLES	310,607.21

7:39 PM

7/08

**AC TECHNOLOGY INC.**  
**A/R Aging Summary**  
 As of June 27, 2008

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>
Advanced Biometric Controls, LLC	1,445.60	0.00	0.00	0.00	0.00	1,445.60
AFRL	98,293.75	0.00	0.00	0.00	0.00	98,293.75
Air Force	15,672.00	0.00	0.00	0.00	0.00	15,672.00
ArgonST	31,650.00	0.00	0.00	0.00	0.00	31,650.00
AVR Enterprises Inc.	10,699.69	0.00	0.00	0.00	0.00	10,699.69
Bureau of Labor Statistics	0.00	7,427.78	0.00	0.00	0.00	7,427.78
Bureau of the Census	278,668.11	0.00	0.00	0.00	0.00	278,668.11
CACI	88,604.51	0.00	0.00	0.00	0.00	88,604.51
Chenega Federal Systems LLC	0.00	500.00	0.00	0.00	0.00	500.00
CherryRoad GT Inc.	343,506.21	226,847.33	0.00	0.00	0.00	570,353.54
CSIC	15,490.00	0.00	0.00	0.00	0.00	15,490.00
DC Water & Sewer Authority	246,100.17	0.00	0.00	0.00	0.00	246,100.17
Defense Finance & Accounting Service	1,215.57	0.00	893.79	0.00	0.00	2,109.36
Defense Logistics Agency	74,754.40	0.00	0.00	0.00	0.00	74,754.40
Department of Homeland Security	0.00	0.00	0.00	0.00	0.00	0.00
Enterprise Network MGMT OFC	0.00	14,543.61	0.00	0.00	0.00	14,543.61
FAA	0.00	13,842.44	0.00	0.00	0.00	13,842.44
General Dynamics	4,475,000.00	0.00	0.00	0.00	-5,490.87	4,469,509.13
IRIDES, LLC	0.00	0.00	0.00	0.00	2,723.48	2,723.48
Lawrence Berkeley National Laboratory	0.00	107,233.56	0.00	0.00	0.00	107,233.56
Maryland Procurement Office	0.00	25,980.00	0.00	0.00	0.00	25,980.00
Michael Baker Corp	0.00	9,790.28	0.00	0.00	0.00	9,790.28
MOCA/Arrow, Inc.	42,740.89	0.00	0.00	0.00	0.00	42,740.89
Naval Air Warfare Center	0.00	5,658.43	0.00	0.00	0.00	5,658.43
Naval Satellite Operations Center	51,786.11	0.00	0.00	0.00	0.00	51,786.11
NCI Information Systems	0.00	6,079.77	0.00	0.00	0.00	6,079.77
NEWTEC	0.00	2,400.30	0.00	0.00	0.00	2,400.30
NOAA	0.00	14,885.06	0.00	0.00	0.00	14,885.06
Northrop Grumman Corporation	0.00	2,030.11	0.00	0.00	0.00	2,030.11
Maryland Procurement Office	2,010,000.00	0.00	0.00	0.00	0.00	2,010,000.00
NSWC	344,631.96	0.00	0.00	0.00	0.00	344,631.96
ORC, Inc.	17,033.56	0.00	0.00	0.00	0.00	17,033.56
SensorCom Inc.	255.20	0.00	0.00	0.00	0.00	255.20
Sun Microsystems, Inc	0.00	0.00	0.00	0.00	311,929.00	311,929.00
TKC Technology Solution, Inc	0.00	1,581.95	0.00	0.00	0.00	1,581.95
TKC Technology Solution, LLC	99,140.52	26,093.68	0.00	0.00	0.00	125,234.20
UC Lawrence Berkley Lab	458,461.18	14,125.19	0.00	0.00	0.00	472,586.37
Unisys	8,196.13	0.00	0.00	0.00	0.00	8,196.13
US House of Representatives	0.00	485.56	0.00	0.00	0.00	485.56
US Naval Academy	18,481.32	0.00	0.00	0.00	0.00	18,481.32
Wildflower International, LTD.	0.00	126,591.12	0.00	0.00	0.00	126,591.12
<b>TOTAL</b>	<b>8,731,826.88</b>	<b>607,640.72</b>	<b>893.79</b>	<b>0.00</b>	<b>309,161.61</b>	<b>9,649,523.00</b>